

SAPC 7007
Copy 2 of 9

12 July 1956

MEMORANDUM FOR: Project Director/AQUATONE

THROUGH : Deputy Project Director and
Project Director of Administration

SUBJECT : New Air Force Project

1. This is forwarded to record the substance of conversations between the undersigned and representatives of the USAF pertaining to the security responsibilities and procedures potentially applicable in the formation of a new Air Force project. I believe you are aware of the details of the project. For record purposes it is noted that the undersigned does not have such knowledge.

2. Initially General Murray, Director of the Office of Special Investigations, USAF, contacted [redacted] Deputy Director of Security, and requested an audience to review aspects of the security procedures established for Project AQUATONE. General Murray's inquiry was brought to the attention of the undersigned who accompanied [redacted] to the office of General Murray where we discussed in general terms the security program evolved for our project. Present at the meeting were Brigadier General John E. Murray, OSI; Mr. Gilbert Levy, OSI; Lieutenant Colonel Cappucci, OSI; Lieutenant Colonel Sam Bruno, Provost Marshal, Headquarters USAF, [redacted] any myself.

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3. It developed that the project being considered is directed by General Powers of ARDC. Powers has on his staff Colonel William Rader, Inspector General, ARDC, who is concerned with the security program of the proposed project. General Murray indicated that he was asked to participate in the program by General Putt. The ensuing conversation concerned the clearance aspects of Project AQUATONE with its phased knowledgeability, complete background investigation on every participant, and Industrial Security Review Board procedures binding upon the Department of Defense. Regarding the latter it was pointed out that this Agency endeavored to pattern our activities along the lines of a normal Air Force research, development, and

USAF review(s) completed.

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procurement program except we continually looked for problem areas leading us into the control of the Industrial Security Review Board with a view toward avoiding such issues by every legitimate means.

4. Subsequent to the conference noted above, the undersigned was contacted by Mr. Richard J. Zeller, Chief of the Industrial Security Branch, Headquarters ARDC, Baltimore, Maryland, telephone LExington 9-2616, X 973 or 976. Zeller indicated to the undersigned that he is in the Provost Marshal Office of ARDC and had been designated by General Boyd as the Project Security Officer. It appears Zeller will be concerned with the day to day security factors, while General Murray's interest can best be described as the policy making level. Zeller was interested in personally reviewing the factors discussed at the meeting with General Murray. These apparently were forwarded to Zeller by General Murray's office.

5. In each instance the Air Force officials appeared pleased with the opportunity to discuss our project. It should be noted that they were aware we have utilized certain employees of Lockheed Aircraft Corporation to gather background information on Lockheed personnel. It should be noted no details of Project AQUATONE mission, organization, or personalities were covered in the conference.

6. Two points appear pertinent to Project AQUATONE as a result of the conversations. First, within certain quarters of the Air Force, Project AQUATONE has received a considerable degree of publicity as an extremely significant achievement in the research, development, and procurement fields. This does not appear to currently represent a serious threat to AQUATONE as the knowledgeable individuals are on a high level, in key positions, and have been aware of our activities for some time. The second significant factor and of more practical interest is the fact that this new program, by virtue of our liaison with the Air Force and dual interest in several suppliers, will become something of an administrative problem; for instance, we reasonably can expect the Air Force to review security information acquired by our project rather than initiate a completely new field of endeavor in this respect.

7. To date the undersigned has not had an opportunity to discuss this project with Lieutenant Colonel Nunziato. His office has been contacted on several occasions, but in each instance he has been in conference or out of town. On 13 June 1956, Colonel Keeling was contacted and requested to get

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in touch with Nunziato and arrange for a joint meeting between Nunziato, Keeling, and the undersigned. Steps will be taken to keep you apprised of this entire matter and any significant factors which may arise.

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Project Security Officer

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(11 Jul 56)

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